

FILED WITH LRC TIME: 10 a.m.
DEC 15 2014
Donna Little REGULATIONS COMPILER

1 Education and Workforce Development Cabinet
2 Kentucky Board of Education
3 Department of Education
4 (New Administrative Regulation)
5 702 KAR 3:320. Finance officer certification requirements.
6 RELATES TO: KRS 160.431, 161.020(1)(b)
7 STATUTORY AUTHORITY: KRS 156.070, 160.431
8 NECESSITY, FUNCTION AND CONFORMITY: KRS 156.070 authorizes the Kentucky Board
9 of Education to promulgate administrative regulations necessary for the efficient management,
10 control, and operation of the schools and programs under its jurisdiction. KRS 160.431(2) requires
11 school finance officers to meet certification and continuing education requirements and authorizes
12 the Kentucky Board of Education to promulgate administrative regulations identifying and
13 prescribing the criteria and procedures for school finance officer certification and continuing
14 education. This administrative regulation establishes the standards for school finance officer
15 certification and continuing education.
16 Section 1. Definitions. (1) "Finance officer" means a person appointed pursuant to KRS
17 160.431(1).
18 (2) "Finance officer intern" means any finance officer who has obtained a provisional certificate
19 under Section 3 of this administrative regulation but who has not acquired a full certificate under
20 Section 4 of this administrative regulation.

(3) "Mentor" means an individual approved by the department to oversee a finance officer intern through the Kentucky Finance Officer Internship Program.

Section 2. Initial Qualifications. An individual shall be eligible to be employed as a finance officer on or after July 1, 2015, if the individual:

(1) Is employed on June 30, 2015 as a finance officer in a Kentucky school district and does not have an employment break in service as a finance officer. A break in service as a finance officer in any Kentucky school district shall terminate the individual's qualification for employment as a finance officer under this subsection; or

(2) Obtains a provisional or full certificate under Section 3 or 4 of this administrative regulation.

Section 3. Provisional Certification. (1) An individual who is seeking to be employed as a finance officer in a Kentucky school district who does not meet the requirements of Section 2(1) of this administrative regulation and who does not possess a full certificate shall secure a provisional certificate by submitting the Provisional Certification Application Form, KDE-FOCP-1, to the department to verify the individual meets the following eligibility requirements:

(a) A minimum of a bachelor's degree from any accredited postsecondary institution; and

(b)1. A minimum of twelve (12) credit hours in accounting coursework from any accredited postsecondary institution;

2. A minimum of four (4) years' work experience primarily in accounting or finance, confirmed by the district of employment; or

3. A minimum of two (2) years' work experience in finance in a local school district, confirmed by the district of employment.

(2) The department shall issue a provisional certificate to an individual providing proof of the eligibility requirements of subsection (1) of this section and proof of an offer of employment as a finance officer in a Kentucky school district.

(3) A finance officer provisional certificate shall be in effect until:

(a) The individual obtains full certification;

(b) The individual fails to provide to the department the proof of progress toward full certification required by subsection (4) of this section; or

(c) Five (5) years have passed since the provisional certificate's issuance date.

(4) The provisional certificate holder shall annually submit proof of progress toward full certification to the department by the anniversary of the issuance date of the provisional certificate.

Failure to provide this annual proof of progress or to obtain full certification within five (5) years of the issuance of a provisional certificate shall result in the loss of the provisional certificate.

Section 4. Full Certification. (1) An individual who is eligible for employment as a finance officer under Section 2(2) of this administrative regulation shall apply for full certification prior to the expiration of the provisional certificate by submitting the Full Certification Application Form, KDE-FOCP-2, to the department to verify:

(a) Current provisional certification;

(b) Completion of the Kentucky Finance Officer Internship Program (KFIP) under Section 5 of this administrative regulation;

(c) Fifteen (15) hours of finance officer training from the Finance Officer Curriculum, KDE-FOCP-6, provided by a department-approved training provider; and

(d) Twelve (12) hours of training in the state-approved school district financial software package provided by a department-approved training provider.

- 1 (2) A full certificate shall be renewed automatically unless the finance officer fails to meet the
2 biennial continuing education requirements of Section 6 of this administrative regulation.
- 3 Section 5. Kentucky Finance Officer Internship Program (KFIP). (1) Within thirty (30) days of
4 employment as a finance officer, the provisionally certified finance officer shall apply for
5 participation in the KFIP.
- 6 (2) The KFIP Assessment Committee shall consist of:
- 7 (a) The mentor assigned by the department;
- 8 (b) The employing district's superintendent or designee; and
- 9 (c) A department representative.
- 10 (3) Mentors shall meet the following qualification requirements:
- 11 (a) Possess full certification under this administrative regulation or meet the requirements of
12 Section 2(1) of this administrative regulation;
- 13 (b) Complete the department's mentor training; and
- 14 (c) Complete the Mentor Application Form, KDE-FOCP-5.
- 15 (4) Mentors shall:
- 16 (a) Work with finance officer interns to develop a chronological task plan based on the Finance
17 Officer Curriculum, KDE-FPCO-6;
- 18 (b) Continue the mentorship for a period of twelve (12) consecutive months;
- 19 (c) Document the time spent mentoring and a summary of the content on form KDE-FOCP-3;
- 20 (d) Document attendance by the finance officer intern at any mentoring meetings during the
21 internship; and
- 22 (e) Serve as a mentor for no more than two (2) individuals concurrently.

- 1 (5) Mentors shall be eligible to earn, as a mentor, a maximum of twenty-one (21) hours of
2 continuing education, not to exceed one (1) hour per month, during the mentorship, toward the
3 requirement of KRS 160.431(3) for the mentor training and mentor contact.
- 4 (6) Mentors shall be eligible to receive from available funds an annual stipend, not to exceed
5 \$1,000 each fiscal year per individual mentored, from the department for the mentorship. A
6 district may also choose to reimburse the mentor for any expenses, including travel.
- 7 (7) The KFIP Assessment Committee shall:
- 8 (a) Assist in the development of the intern's chronological task plan required in subsection (4)(a)
9 of this section;
- 10 (b) Meet six (6) months after the initiation of the internship to assess progress;
- 11 (c) Assess whether the finance officer intern completed the internship; and
- 12 (d) Complete the Assessment Committee Report Form, KDE-FOCP-4.
- 13 (8) As part of its assessment, the KFIP Assessment Committee shall consider:
- 14 (a) Documentation provided by the mentor;
- 15 (b) The recommendation of the finance officer intern's superintendent based on actual work
16 performance; and
- 17 (c) The report by the department of work product submissions and interactions.
- 18 (9) At the end of the internship, the KFIP Assessment Committee shall do one (1) of the
19 following:
- 20 (a) Declare the internship completed;
- 21 (b) Require the finance officer intern to repeat a portion of the internship curriculum; or
- 22 (c) Require the finance officer intern to repeat the entire internship curriculum.

(10) The finance officer intern may request a different mentor if the KFIP Assessment Committee requires the internship to be repeated.

(11) The mentor may request to be replaced by another mentor if the KFIP Assessment Committee requires the internship to be repeated.

Section 6. Continuing Education. (1) Fully certified finance officers and those qualified under Section 2(1) shall meet the continuing education requirements of KRS 160.431(3).

(2) Each finance officer shall complete at least twelve (12) hours of continuing education by June 30 of each fiscal year.

Section 7. Revocation and Appeal for Reinstatement of Full Certification. (1)(a) Failure to meet the annual requirement of twelve (12) hours of continuing education of Section 6(2) of this administrative regulation shall result in a temporary suspension of a finance officer's full certification.

(b) The department shall notify the district superintendent of the temporary suspension.

(c) The certificate holder shall complete the required number of hours of continuing education by the end of the biennial period.

(d) Three (3) temporary suspensions shall result in revocation of the full certification.

(2) Failure to meet the biennial requirement of forty-two (42) hours of continuing education shall result in revocation of the full certification.

(3) The certificate holder may appeal to the department for reinstatement of a provisional or full certification which has been revoked under subsections (1) or (2) of this section if:

(a) The certificate holder requests reinstatement and provides supporting documentation to the department; and

(b) The certificate holder has fulfilled all requirements of the provisional or full certification including the required continuing education for the latest fiscal year.

(4) The department shall review and make a determination regarding reinstatement within thirty (30) days of receipt of the appeal.

Section 8. Grandfather Status. (1) An individual who is eligible for grandfather status pursuant to Section 2(1) of this administrative regulation shall submit the Provisional Certification Application Form, KDE-FOCP-1, to the department.

(2) An individual with grandfather status may obtain full certification if either:

(a) The department approves the individual as a mentor in the KFIP in accordance with the requirements of this administrative regulation; or

(b) The individual meets all provisional and full certification requirements, including successful completion of the KFIP.

Section 9. Incorporation by Reference. (1) The following material is incorporated by reference:

(a) "Provisional Certification Application", FOCP-1, July 2015;

(b) "Full Certification Application", FOCP-2, July 2015;

(c) "Intern Progress Report", FOCP-3, July 2015;

(d) "Assessment Committee Report", FOCP-4, July 2015;

(e) "Mentor Application", FOCP-5, July 2015; and

(f) "Finance Officer Curriculum", FOCP-6, July 2015.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Education, 500 Mero Street, First Floor, Capital Plaza Tower, Frankfort, Kentucky, 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

This is to certify that the chief state school officer has reviewed and recommended this administrative regulation prior to its adoption by the Kentucky Board of Education, as required by KRS 156.070(5).

12-15-14
(Date)

Terry Holliday, Ph.D.
Terry Holliday, Ph.D.
Commissioner of Education

12-15-14
(Date)

Roger L. Marcum, Chairperson
Roger L. Marcum, Chairperson
Kentucky Board of Education

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this proposed administrative regulation shall be held on January 28, 2015, at 10 a.m. in the State Board Room, First Floor, Capital Plaza Tower, 500 Mero Street, Frankfort, Kentucky.

Individuals interested in being heard at this meeting shall notify this agency in writing five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until close of business February 2, 2015. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Kevin C. Brown, Associate Commissioner and General Counsel, Kentucky Department of Education, 500 Mero Street, First Floor, Capital Plaza Tower, Frankfort, Kentucky, 40601, phone 502-564-4474, fax 502-564-9321.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation: 702 KAR 3:320

Agency Contact Person: Kevin C. Brown

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes standards for certification of school finance officers and sets the requirements for continuing education to maintain the certification.

(b) The necessity of this administrative regulation: KRS 160.431(2) provides that school finance officers shall obtain certification and continuing education and that the agency shall identify the criteria for certification and continuing education. KRS 161.020(1)(b) prohibits a school district from employing an individual to serve as finance officer after July 1, 2015 if the individual has not met the certification requirements of this administrative regulation.

(c) How this administrative regulation conforms to the content of the authorizing statute: This administrative regulation establishes the requirements mandated by KRS 160.431 and 161.020(1)(b).

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the certification standards and the eligibility requirements for school finance officers at the local school district.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: Inapplicable

(b) The necessity of the amendment to this administrative regulation: Inapplicable

(c) How the amendment conforms to the content of the authorizing statute: Inapplicable

(d) How the amendment will assist in the effective administration of the statutes: Inapplicable

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: All Kentucky public school districts

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including: This administrative regulation establish certification and continuing education requirements for any school finance officers hired on or after July 1, 2015.

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: A school district shall have to comply

with the requirements in this administrative regulation for certification and pay for the mentorship of a school finance officer intern in that district, if applicable.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no mandated costs with this administrative regulation. Districts are encouraged to facilitate mentorships at minimal cost.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): More consistency in the quality and training of school finance officers across the state.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: Minimal

(b) On a continuing basis: Minimal

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: General funds

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase will be necessary.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) No, tiering does not apply because the requirements of this administrative regulation apply to all Kentucky school districts.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 702 KAR 3:320

Contact Person: Kevin C. Brown

Phone number: 564-4474

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? All Kentucky public school districts

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 156.070, 160.431, 161.020(1)(b).

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None

(c) How much will it cost to administer this program for the first year? No cost

(d) How much will it cost to administer this program for subsequent years? No cost

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

Summary Page – Incorporation by Reference

702 KAR 3:320. Finance officer certification requirements.

- (1) The following documents are incorporated by reference:
 - (a) “Provisional Certification Application”, FOCP-1, July 2015;
 - (b) “Full Certification Application”, FOCP-2, July 2015;
 - (c) “Intern Progress Report”, FOCP-3, July 2015;
 - (d) “Assessment Committee Report”, FOCP-4, July 2015;
 - (e) “Mentor Application”, FOCP-5, July 2015; and
 - (f) “Finance Officer Curriculum”, FOCP-6, July 2015.
- (2) These documents are used in school finance officer certification.
- (3) The documents incorporated by reference consist of 14 pages.